



Health Services

LOS ANGELES COUNTY

Los Angeles County Board of Supervisors

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Chief Deputy Director

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213)240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners.*

October 4, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

FISCAL YEAR 2010-11 YEAR-END BUDGET ADJUSTMENTS (ALL DISTRICTS) (4 VOTES)

SUBJECT

Request approval of Fiscal Year 2010-11 Year-End Budget Adjustments for the Department of Health Services.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve the attached Fiscal Year (FY) 2010-11 Year-End Budget Adjustment (BA) (Attachment I) for the Department of Health Services (DHS) to adjust the designation balance to \$13.2 million, as of June 30, 2011.
2. Approve the attached FY 2010-11 BAs (Attachment II) to reallocate and adjust the appropriations and revenues related to the Personal Assistance Services Council-Service Employees International Union (PASC-SEIU), In-Home Supportive Services (IHSS) Health Care Plan.
3. Approve the attached FY 2010-11 BA (Attachment III) to finalize the close-out of the LAC+USC Medical Center Replacement Accumulated Capital Outlay (LAC+USC MC ACO) Fund to DHS Designation.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The Board's approval of these BAs (Attachments I – III) for FY 2010-11 will:

1. Establish a DHS designation fund balance, as of June 30, 2011, of \$13.2 million resulting from the FY 2010-11 operating surplus (Attachment IV). Also, reallocate certain appropriations and revenues within DHS to align them with the Department's FY 2010-11 financial experience;

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2. Align appropriations and revenues related to PASC-SEIU IHSS Health Care Plan with the FY 2010-11 final experience, and decrease the transfer of funding to Department of Public Social Services by \$0.7 million resulting from lower than expected operating activity; and
3. Align appropriations and revenues from the LAC+USC MC ACO Fund to DHS Designation in accordance with the FY 2010-11 financial experience and to finalize the close-out of the LAC+USC MC ACO Fund.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The recommended actions will adjust the various Departmental budgets to reflect DHS' FY 2010-11 financial experience and also adjust the designation balance to \$13.2 million, as of June 30, 2011 (see Attachment IV for the components of the \$13.2 million surplus).

Per Medi-Cal Redesign, any hospital that ends the fiscal year with a positive fund balance must retain the funds for its future use. Of the \$13.2 million being placed in designation, \$3.5 million is associated with Rancho Los Amigos National Rehabilitation Center (RLANRC). This amount is being placed in a separate designation account for Rancho and will be used to fund RLANRC's FY 2011-12 operations.

On March 29, 2011, your Board approved and authorized the transfer of unused funds residing in the LAC+USC MC ACO Fund to DHS Designation to close-out the LAC+USC MC ACO Fund. The recommended actions will properly reflect and recognize the FY 2010-11 financial experience of the LAC+USC MC ACO Fund transfer to DHS Designation and complete the close-out of the LAC+USC MC ACO Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Not applicable.

CONTRACTING PROCESS

Not applicable.

The Honorable Board of Supervisors
October 4, 2011
Page 3

IMPACT ON CURRENT SERVICES (OR PROJECTS)

These FY 2010-11 Year-End BAs have no impact on current services.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Mitchell H. Katz', with a stylized flourish at the end.

Mitchell H. Katz, M.D.
Director

MHK:wl

Enclosures (4)

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors
Auditor-Controller

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT**DEPARTMENT OF HEALTH SERVICES**DEPT'S.
NO. 110

October 4, 2011

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR**FY 2010-11****4 - VOTES****SOURCES**

See Attachment I-B for details

USES

See Attachment I-B for details

SOURCES TOTAL: \$ 121,812,000**USES TOTAL: \$ 121,812,000****JUSTIFICATION**

This budget adjustment is necessary to increase the DHS Enterprise Fund designation to \$13.2 million and realign certain appropriations and revenues within Department of Health Services in accordance with FY 2010-11 final experience.

 AUTHORIZED SIGNATURE Mela Guerrero - DHS Controller's Division

 BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

 REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---

☐ ACTION

☐ RECOMMENDATION

AUDITOR-CONTROLLER

BY _____

B.A. NO. _____

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☐ APPROVED AS REQUESTED

☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY _____

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**DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2010-11**

ATTACHMENT I B
Page 1 of 4

4-VOTE

SOURCES:

LAC + USC Healthcare Network (LAC + USC Medical Center)
 MN4-HG-1000-60010
 Salaries & Employee Benefits 5,795,000
 Decrease Appropriation
 MN4-HG-5500-60010
 Other Charges 1,764,000
 Decrease Appropriation
 MN4-HG-6030-60010
 Capital Assets - Equipment 425,000
 Decrease Appropriation
 MN4-HG-96-9912-60010
 Operating Subsidy - GF 21,082,000
 Increase Revenue

Total LAC + USC Healthcare Network \$ 29,066,000

Coastal Network (H-UCLA Medical Center)

MN1-HH-5500-60020
 Other Charges 1,077,000
 Decrease Appropriation
 MN1-HH-96-9912-60020
 Operating Subsidy - GF 2,294,000
 Increase Revenue

Total Coastal Network \$ 3,371,000

Southwest Network (MLK MACC)

MN5-HK-2000-60030
 Services and Supplies 7,742,000
 Decrease Appropriation
 MN5-HK-5500-60030
 Other Charges 935,000
 Decrease Appropriation

Total Southwest Network \$ 8,677,000

Rancho Los Amigos National Rehabilitation Center

MN7-HR-1000-60040
 Salaries & Employee Benefits 3,019,000
 Decrease Appropriation
 MN7-HR-5500-60040
 Other Charges 592,000
 Decrease Appropriation
 MN7-HR-6030-60040
 Capital Assets - Equipment 51,000
 Decrease Appropriation
 MN7-HR-92-9416-60040
 Safety Net Care Pool 3,386,000
 Increase Revenue

Total Rancho Los Amigos NRC \$ 7,048,000

USES:

LAC + USC Healthcare Network (LAC + USC Medical Center)
 MN4-HG-96-9911-60010
 Operating Transfer In 1,917,000
 Decrease Revenue
 MN4-HG-2000-60010
 Services and Supplies 9,911,000
 Increase Appropriation
 MN4-HG-92-943H-60010
 LA Care Managed Care Rate Supplement 17,238,000
 Decrease Revenue

Total LAC + USC Healthcare Network \$ 29,066,000

Coastal Network

MN1-HH-96-9911-60020
 Operating Transfer In 893,000
 Decrease Revenue
 MN1-HH-2000-60020
 Services and Supplies 2,478,000
 Increase Appropriation

Total Coastal Network \$ 3,371,000

Southwest Network

MN5-HK-1000-60030
 Salaries & Employee Benefits 88,000
 Increase Appropriation
 MN5-HK-96-9912-60030
 Operating Subsidy - GF 8,589,000
 Decrease Revenue

Total Southwest Network \$ 8,677,000

Rancho Los Amigos National Rehabilitation Center

MN7-HR-96-9912-60040
 Operating Subsidy - GF 3,497,000
 Decrease Revenue
 MN7-HR-96-9911-60040
 Operating Transfer In 416,000
 Decrease Revenue
 MN7-HR-2000-60040
 Services and Supplies 3,135,000
 Increase Appropriation

Total Rancho Los Amigos NRC \$ 7,048,000

**DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2010-11**

ATTACHMENT I B
Page 2 of 4

4-VOTE

SOURCES:

ValleyCare Network (San Fernando & Antelope Valley)
MN3-HO-96-9912-60050
Operating Subsidy - GF 4,427,000
Increase Revenue

Total ValleyCare Network \$ 4,427,000

DHS Enterprise Fund
MN2-HS-6100-60070
Other Financing Uses 3,929,000
Decrease Appropriation

MN2-HS-96-9912-60070
Operating Subsidy - GF 3,340,000
Increase Revenue

Total DHS Enterprise Fund \$ 7,269,000

Total Enterprise Fund \$ 59,858,000

Managed Care Rate Supplement
A01-HS-5500-19996
Other Charges 29,911,000
Decrease Appropriation

Juvenile Court Health Services
A01-HJ-1000-20600
Salaries and Employee Benefits 1,520,000
Decrease Appropriation

Juvenile Court Health Services
A01-HJ-6030-20600
Capital Assets - Equipment 62,000
Decrease Appropriation

USES:

ValleyCare Network (San Fernando & Antelope Valley)
MN3-HO-96-9911-60050
Operating Transfer In 703,000
Decrease Revenue

MN3-HO-92-9307-60050
Cost Based Reimbursement Clinic 3,724,000
Decrease Revenue

Total ValleyCare Network \$ 4,427,000

DHS Enterprise Fund
MN2-3078
Designation for DHS 3,772,000
Increase Designation

MN2-3081
Designation for DHS - Rancho Los Amigos 3,497,000
Increase Designation

Total DHS Enterprise Fund \$ 7,269,000

Total Enterprise Fund \$ 59,858,000

Health Services Administration
A01-HS-92-943G-20000
South LA Preservation Fund 5,864,000
Decrease Revenue

Health Services Administration
A01-HS-92-9804-20000
LAC + USC Medical Center 4,496,000
Decrease Revenue

Office of Managed Care
A01-HP-5500-19975
Other Charges 12,000
Increase Appropriation

Office of Managed Care
A01-HP-92-9426-19975
CHP Medi-Cal 1,436,000
Decrease Revenue

Juvenile Court Health Services
A01-HJ-2000-20600
Services and Supplies 559,000
Increase Appropriation

Health Services - Realignment
A01-HS-88-8899-19999
State Realignment Revenue 3,425,000
Decrease Revenue

VLF - Health Services
A01-CB-88-8716-10590-10591
State Vehicle License Fee - AB 1288 5,408,000
Decrease Revenue

**DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2010-11**

ATTACHMENT I B
Page 3 of 4

4-VOTE

SOURCES:

USES:

H-UCLA N24 Clinic Addition

A01-CP-6014-65036-77541

Capital Assets - Building & Improv.	22,000
Decrease Appropriation	

HS - Rancho RF Room Remodel

A01-CP-6014-65036-86898

Capital Assets - Building & Improv.	64,000
Decrease Appropriation	

Various Refurbishments

A01-CP-6014-65036-86937

Capital Assets - Building & Improv.	250,000
Decrease Appropriation	

Hawkins Psych Unit Replacement Phase II

A01-CP-6014-65036-86974

Capital Assets - Building & Improv.	28,000
Decrease Appropriation	

OV-UCLA Fluoroscopy Room Rfurb

A01-CP-6014-65036-87013

Capital Assets - Building & Improv.	151,000
Decrease Appropriation	

RLA Talyst

A01-CP-6014-65036-87074

Capital Assets - Building & Improv.	15,000
Decrease Appropriation	

Rancho Los Amigos AQMD Rule 1146 Compliance

A01-CP-6014-65036-87076

Capital Assets - Building & Improv.	429,000
Decrease Appropriation	

LAC + USC AQMD Rule 1146 Compliance

A01-CP-6014-65036-87081

Capital Assets - Building & Improv.	6,472,000
Decrease Appropriation	

H-UCLA AQMD Rule 1146 Compliance

A01-CP-6014-65036-87085

Capital Assets - Building & Improv.	600,000
Decrease Appropriation	

LAC + USC Talyst System

A01-CP-6014-65036-87097

Capital Assets - Building & Improv.	500,000
Decrease Appropriation	

Humphrey Center X-Ray Room Renovation

A01-CP-6014-65036-87116

Capital Assets - Building & Improv.	233,000
Decrease Appropriation	

**DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2010-11**

ATTACHMENT I B
Page 4 of 4

4-VOTE

SOURCES:

Ent Sub - SW Cluster	
A01-AC-6100-21200-21228	
Other Financing Uses	8,589,000
Decrease Appropriation	

Ent Sub - Rancho Los Amigos	
A01-AC-6100-21200-21230	
Other Financing Uses	3,497,000
Decrease Appropriation	

Health Services Administration	
A01-HS-2000-20000	
Services & Supplies	9,611,000
Decrease Appropriation	

Total General Fund	<u>\$ 61,954,000</u>
Total Department	<u>\$ 121,812,000</u>

USES:

Ent Sub - LAC + USC Healthcare Network	
A01-AC-6100-21200-21224	
Other Financing Uses	21,082,000
Increase Appropriation	

Ent Sub - Coastal Cluster	
A01-AC-6100-21200-21226	
Other Financing Uses	2,294,000
Increase Appropriation	

Ent Sub - SF Valley Cluster	
A01-AC-6100-21200-21232	
Other Financing Uses	4,427,000
Increase Appropriation	

Ent - Subsidy - DHS	
A01-AC-6100-21200-21236	
Other Financing Uses	3,340,000
Increase Appropriation	

PFU - Health Services	
A01-CB-2000-13749-13763	
Services & Supplies	9,611,000
Increase Appropriation	

Total General Fund	<u>\$ 61,954,000</u>
Total Department	<u>\$ 121,812,000</u>

Noted & Approved:

Mela Guerrero, Controller
Department of Health Services

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENTDEPT'S. 110
NO.DEPARTMENT OF HEALTH SERVICESOctober 4, 2011**AUDITOR-CONTROLLER:**

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR**FY 2010-11****4 - VOTES****SOURCES**

See Attachment II-B for details

USES

See Attachment II-B for details

SOURCES TOTAL: \$ 1,066,000**USES TOTAL: \$ 1,066,000****JUSTIFICATION**

This budget adjustment is necessary to reallocate and adjust appropriation and revenue within the Department of Health Services (DHS) specifically related to the Personal Assistance Services Council-Services Employees International Union (PASC-SEIU), In-Home Support Services (IHSS) Health Care Plan, and to recover \$0.4 million of unused funding for FY 2010-11 from the Department of Public Social Services (DPSS).

AUTHORIZED SIGNATURE Mela Guerrero - DHS Controller's DivisionBOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---☐ ACTION☐ RECOMMENDATION

AUDITOR-CONTROLLER

BY _____

B.A. NO. _____

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☐ APPROVED AS REQUESTED☐ APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY _____

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DEPARTMENT OF HEALTH SERVICES
IHSS HEALTH BENEFITS PROGRAM
FISCAL YEAR 2010-11

ATTACHMENT II B

4-VOTE

SOURCES:

LAC+USC Healthcare Network		
MN4-HG-96-9912-60010		
Operating Subsidy – General Fund		
Increase Revenue	\$	332,000
Coastal Network		
MN1-HH-96-9912-60020		
Operating Subsidy – General Fund		
Increase Revenue		70,000
Southwest Network		
MN5-HK-96-9912-60030		
Operating Subsidy – General Fund		
Increase Revenue		75,000
ValleyCare Network		
MN3-HO-92-942A-60050		
CHP-In-Home Supp Svcs Rev		
Increase Revenue		111,000
Total Enterprise Funds	\$	588,000

ENT SUB-SF VALLEYCARE CLUSTER

A01-AC-6100-21200-21232		
Other Financing Uses		
Decrease Appropriation		111,000

Total General Funds

\$ 111,000

Total Department

\$ 699,000

USES:

LAC+USC Healthcare Network		
MN4-HG-92-942A-60010		
CHP-In-Home Supp Svcs Rev		
Decrease Revenue	\$	332,000
Coastal Network		
MN1-HH-92-942A-60020		
CHP-In-Home Supp Svcs Rev		
Decrease Revenue		70,000
Southwest Network		
MN5-HK-92-942A-60030		
CHP-In-Home Supp Svcs Rev		
Decrease Revenue		75,000
ValleyCare Network		
MN3-HO-96-9912-60050		
Operating Subsidy – General Fund		
Decrease Revenue		111,000
Total	\$	588,000

Office of Managed Care

A01-HP-92-942A-19975		
CHP-In-Home Supp Svcs Rev		
Decrease Revenue	\$	1,000

ENT SUB-LAC+USC HLTHCARE NETWK

A01-AC-6100-21200-21224		
Other Financing Uses		
Increase Appropriation		332,000

ENT SUB-SW CLUSTER

A01-AC-6100-21200-21228		
Other Financing Uses		
Increase Appropriation		75,000

ENT SUB-COASTAL CLUSTER

A01-AC-6100-21200-21226		
Other Financing Uses		
Increase Appropriation		70,000

\$ 478,000

\$ 1,066,000

Noted & Approved:

Mela Guererro, Controller
Department of Health Services

DEPARTMENT OF PUBLIC SOCIAL SERVICES
IHSS HEALTH BENEFITS PROGRAM
FISCAL YEAR 2010-11

ATTACHMENT II B

4-VOTE

SOURCES:

USES:

DPSS-IHSS

A01-SS-2000-26300-26410

Services and Supplies

Decrease Appropriation \$ 367,000

Total Department

\$ 367,000

\$ -

Noted & Approved:

Francisco Sanchez, Director of Budget Policy
Department of Public Social Services

PINK (1)

BA FORM 09/09

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT**DEPARTMENT OF HEALTH SERVICES**DEPT'S.
NO. 110

October 4, 2011

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR**FY 2010-11****4 - VOTES****SOURCES**

See Attachment II-D for details

USES

See Attachment II-D for details

SOURCES TOTAL: \$ 1,158,000**USES TOTAL: \$ 1,158,000****JUSTIFICATION**

This budget adjustment is necessary to reallocate and adjust appropriation and revenue within the Department of Health Services (DHS) specifically related to the Personal Assistance Services Council-Services Employees International Union (PASC-SEIU), In-Home Support Services (IHSS) Health Care Plan, and to recover \$0.3 million of unused funding for FY 2009-10 from the Department of Public Social Services (DPSS).

AUTHORIZED SIGNATURE Mela Guerrero - DHS Controller's Division

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---☐

ACTION

☐

RECOMMENDATION

AUDITOR-CONTROLLER

BY _____

B.A. NO. _____

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APPROVED AS REQUESTED

☐

APPROVED AS REVISED

CHIEF EXECUTIVE OFFICER

BY _____

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SEND 6 COPIES TO THE AUDITOR-CONTROLLER

**DEPARTMENT OF HEALTH SERVICES
IHSS HEALTH BENEFITS PROGRAM
FISCAL YEAR 2010-11**

ATTACHMENT II D

4-VOTE

SOURCES:

LAC+USC Healthcare Network

MN4-HG-96-9912-60010

Operating Subsidy - General Fund

Increase Revenue \$ 410,000

Coastal Network

MN1-HH-96-9912-60020

Operating Subsidy - General Fund

Increase Revenue 84,000

Southwest Network

MN5-HK-92-942A-60030

CHP-In-Home Supp Svcs Rev

Increase Revenue 81,000

ValleyCare Network

MN3-HO-92-942A-60050

CHP-In-Home Supp Svcs Rev

Increase Revenue 88,000

Total Enterprise Funds

\$ 663,000

ENT SUB-SW CLUSTER

A01-AC-6100-21200-21228

Other Financing Uses

Decrease Appropriation 81,000

ENT SUB-SF VALLEY CLUSTER

A01-AC-6100-21200-21232

Other Financing Uses

Decrease Appropriation 88,000

Total General Funds

\$ 169,000

Total Department

\$ 832,000

USES:

LAC+USC Healthcare Network

MN4-HG-92-942A-60010

CHP-In-Home Supp Svcs Rev

Decrease Revenue \$ 410,000

Coastal Network

MN1-HH-92-942A-60020

CHP-In-Home Supp Svcs Rev

Decrease Revenue 84,000

Southwest Network

MN5-HK-96-9912-60030

Operating Subsidy - General Fund

Decrease Revenue 81,000

ValleyCare Network

MN3-HO-96-9912-60050

Operating Subsidy - General Fund

Decrease Revenue 88,000

\$ 663,000

Office of Managed Care

A01-HP-92-942A-19975

CHP-In-Home Supp Svcs Rev

Decrease Revenue \$ 1,000

ENT SUB-LAC+USC HLTHCARE NETWK

A01-AC-6100-21200-21224

Other Financing Uses

Increase Appropriation 410,000

ENT SUB-COASTAL CLUSTER

A01-AC-6100-21200-21226

Other Financing Uses

Increase Appropriation 84,000

\$ 495,000

\$ 1,158,000

Noted & Approved:

**Mela Guererro, Controller
Department of Health Services**

DEPARTMENT OF PUBLIC SOCIAL SERVICES
IHSS HEALTH BENEFITS PROGRAM
FISCAL YEAR 2010-11

ATTACHMENT II D

4-VOTE

SOURCES:

USES:

DPSS-IHSS

A01-SS-2000-26300-26410

Services and Supplies

Decrease Appropriation \$ 326,000

Total Department **\$ 326,000**

\$ -

Noted & Approved:

Francisco Sanchez, Director of Budget Policy
Department of Public Social Services

PINK (1)

BA FORM 09/09

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. NO. 110

DEPARTMENT OF HEALTH SERVICES

October 4, 2011

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR**FY 2010-11**

4 - VOTES

SOURCES

See Attachment III-B for details

USES

See Attachment III-B for details

SOURCES TOTAL: \$ 93,000**USES TOTAL: \$ 93,000****JUSTIFICATION**

This budget adjustment is necessary to finalize the close-out of the LAC+USC Medical Center Replacement Accumulated Capital Outlay Fund to the Department of Health Services Designation in accordance with FY 2010-11 final experience.

AUTHORIZED SIGNATURE Mela Guerrero - DHS Controller's Division

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

REFERRED TO THE CHIEF
EXECUTIVE OFFICER FOR ---☐

ACTION

☐

RECOMMENDATION

☐

APPROVED AS REQUESTED

☐

APPROVED AS REVISED

AUDITOR-CONTROLLER

BY _____

CHIEF EXECUTIVE OFFICER

BY _____

B.A. NO. _____

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SEND 6 COPIES TO THE AUDITOR-CONTROLLER

DEPARTMENT OF HEALTH SERVICES
YEAR-END BUDGET ADJUSTMENT
FISCAL YEAR 2010-11

Attachment III B

4-VOTE

SOURCES:

LAC+USC Medical Center Replacement - ACO Fund

LAC + USC Medical Center Replacement - ACO Fund

J18-HS-86-8605-50101-50102

Interest Revenue

47,000

Increase Revenue

Total LAC + USC MC Replacement - ACO Fund

\$ 47,000

DHS Enterprise Fund

MN2-HS-96-9911-60070

Operating Transfers In

\$ 46,000

Increase Revenue

Total DHS Enterprise Fund

\$ 46,000

USES:

LAC+USC Medical Center Replacement - ACO Fund

LAC + USC Medical Center Replacement - ACO Fund-New Facility

J18-HS-6100-50101-50103

Other Financing Uses

\$ 47,000

Increase Appropriation

Total LAC + USC MC Replacement - ACO Fund \$ 47,000

DHS Enterprise Fund

MN2-3078

Designation for DHS

\$ 46,000

Increase Designation

Total DHS Enterprise Fund

\$ 46,000

Noted & Approved:

Mela Guerrero, Controller
Department of Health Services

DEPARTMENT OF HEALTH SERVICES
SUMMARY EXPLANATION OF BUDGETARY VARIANCES
FISCAL YEAR (FY) 2010-11
(\$ In Millions)

ATTACHMENT IV

Sources	FY 2010-11	
Deficit from Operations:		
- Current Fiscal Year	\$ (2.6)	
- Prior Fiscal Years	(1.2)	
Subtotal	<u>\$ (3.8)</u>	
Extraordinary Expenditure Variances:		
- Cancellation of Commitments / Payables	\$ 19.0	(A)
- Registries	(16.9)	(B)
- Savings in Salaries and Capital Assets	12.6	(C)
Subtotal	<u>\$ 14.7</u>	
Extraordinary Funding Variances:		
- New Waiver Revenue - Net Benefits	\$ 169.2	(D)
- New Waiver Revenue Placeholder	(125.0)	(E)
- Managed Care Rate Supplements (MCRS) - Net of Intergovernmental Transfers	(76.2)	(F)
- Healthy Way LA (HWLA) / Coverage Initiative - Program	23.6	(G)
- Section 1011	12.9	(H)
- Vehicle License Fee / Sales Tax Realignment Revenues	(8.8)	(I)
- Medicare	2.7	(J)
Subtotal	<u>\$ (1.6)</u>	
 Total Fiscal Year 2010-11	 <u>\$ 9.3</u>	
Other:		
- Designation Balance from Prior Fiscal Years	<u>\$ 3.9</u>	
 June 30, 2011 Designation Balance	 <u><u>\$ 13.2</u></u>	

Notes:

- (A) Surplus is due to lower than anticipated payments for services rendered in prior fiscal years.
- (B) Deficit is due to higher utilization in registries to compensate hard-to-recruit positions in order meet regulatory requirements.
- (C) Surplus reflects position vacancies due to hard hiring freeze and continued efforts to control expenditures on hiring and non-essential purchases in capital assets.
- (D) Represents the incremental benefit of the New Waiver, effective November 2010.
- (E) Represents the placeholder included in DHS' FY 10-11 Final Budget in anticipation of the New Waiver approval.
- (F) Deficit is due to the new MCRS agreements for Federal FY 2010-11 not yet approved by Centers of Medicare and Medicaid Services (CMS).
- (G) Surplus is due to additional claimable costs, back to November 2010, allowed by CMS under HWLA program.
- (H) Surplus reflects collections under the Medicare Modernization Act Section 1011 Program, which may continue until California Section 1011 allocations are exhausted.
- (I) Per final actuals provided by CEO and Auditor-Controller.
- (J) Surplus is due to higher than anticipated revenue that DHS expects to receive.